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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-325/TICL-2015/2571-75

February 18, 2022

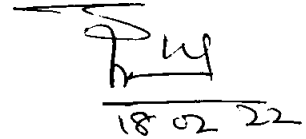
Subject: Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for Thal Industries Corporation Limited (Layyah Sugar Mills) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 (Case No. NEPRA/TRF-325/TICL-2015)

Dear Sir,

Please find enclosed herewith the decision of the Authority alongwith Annex-I (02 pages) regarding quarterly indexation/adjustment of tariff of Thal Industries Corporation Limited (Layyah Sugar Mills) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 in Case No. NEPRA/TRF-325/TICL-2015.

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above



(Syed Safeer Hussain)

Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'A' Block, Pak Secretariat
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. General Manager Commercial, Thal Industries Corporation Ltd., 2 D-1, Gulberg III, Lahore Tele: 042 – 3577 1066-71

DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF THAL INDUSTRIES CORPORATION LIMITED (TICL) FOR THE PERIOD FROM NOVEMBER 29, 2021 – DECEMBER 31, 2021 AND FOR THE QUARTER FROM JANUARY-MARCH, 2022

The Authority issued its decision in the matter of application of Thal Industries Corporation Limited ("TICL") opting for upfront tariff on August 07, 2015. The Authority then issued its decision regarding one-time adjustment in the upfront Tariff of TICL on March 09, 2018. Later, the Authority vide decision dated April 09, 2021 in the matter of application filed by Central Power Purchasing Agency Guarantee Ltd. (CPPAGL) adjusted the aforesaid decision dated March 09, 2018 which has been notified through S.R.O 712(I)/2021 dated June 04, 2021.

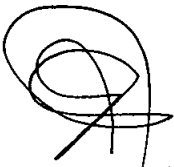
2. The aforesaid decision of the Authority dated April 09, 2021 was approved to become effective as per the timeline agreed in the Master Agreement signed between CPPAGL and TICL. CPPAGL vide letter dated January 06, 2022 has informed that the said decision dated April 09, 2021 has become effective on November 29, 2021.

3. In pursuance to decision issued on March 09, 2018, the Authority on November 15, 2021 adjusted/indexed the tariff of TICL for the quarter October-December, 2021. Now in pursuant to decision dated April 09, 2021, the adjusted/indexed tariff for the quarter October-December, 2021 issued on November 15, 2021 is being modified, which shall be applicable from November 29, 2021 till December 31, 2021. In addition, the tariff for the quarter January-March, 2022 has also been adjusted in accordance with the above mentioned decisions. The revised tariff for the period from November 29, 2021-December 31, 2021 and for the quarter January-March, 2022 is attached herewith as **Annex-I**.

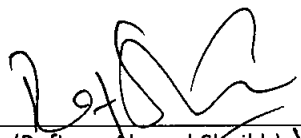
4. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

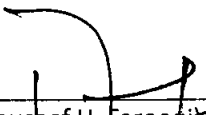
5. CPPAGL to ensure that all the payments are consistent with tariff determination.

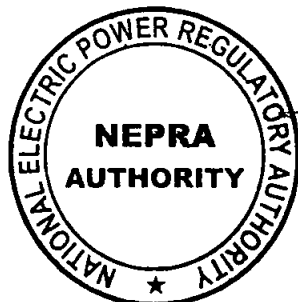
AUTHORITY

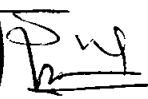

(Rehmatullah Baloch)
Member


(Engr. Maqsood Anwar Khan)
Member


(Rafique Ahmed Shaikh)
Member/Vice Chairman


(Tauseef H. Farooqi)
Chairman




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Thal Industries Corporation Limited (Layyah Sugar Mills)
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised Nov 29- Dec 31, 2021	Revised Jan-Mar, 2022
	Rs./kWh		
Variable O&M - Local	0.1078	0.1465	0.1465
Variable O&M - Foreign	0.3054	0.5954	0.6297
Fixed O&M - Local	0.2875	0.3907	0.3907
Return on Equity	0.7327	1.2328	1.2833
Debt Service	3.8970	3.6116	4.0687
Working Capital	0.1733	0.1474	0.1890
Insurance	0.1543	0.1543	0.1543
Total	5.6580	6.2787	6.8622
Indexation Values			
CPI (General)	198.160	269.270	269.270
US CPI	236.119	273.567	277.948
Exchange Rate	101.600	170.950	177.95
3 Monthly KIBOR	9.50%	7.78%	10.54%

* For the purpose of indexation of Fixed O&M (Local) component for the quarters Oct-Dec, 2021 and Jan-Mar, 2022, CPI for August 2021 and November 2021 respectively was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16.

The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16, however, that decision shall be implemented upon Notification in the Official Gazette.

As per relevant provision of the EPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon notification of the Authority's decision of revised index.

